

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 415, Low Income Home Energy Assistance Program.

LIHEAP General Provisions 415-05

1. 415-05-05 – Definitions. Updated definition of Cost/Consumption Tables. Removed definition of heating degree days.

Definitions 415-05-05

Authorization Dates

These are the dates between which you want the client to receive services from a vendor.

(**Example:** Jane applies in the middle of December and is eligible back to October 1. She paid the October and November bills, but not for December. You would reimburse her for the October and November bills and start the authorization period from December 1.) (See also [415-30-20](#))

Cost/Consumption Tables

These tables are used to determine benefits for eligible households. ~~The tables include the rate various types of fuel are consumed in various sizes and types of home or living units. These consumption rates were received from the U.S. Department of Housing and Urban Development and adjusted for the weighted average heating degree days in each county of the State. The consumption rate is then multiplied by the cost of the specified type of fuel. Fuel cost information is obtained annually from such sources as the state energy office, fuel suppliers, and utilities just prior to the beginning of each heating season. Cost/consumption tables are based on actual cost and consumption data reported for LIHEAP recipients in the LIHEAP data system. Billing data reported directly from fuel suppliers, either electronically or on paper billing statements, is used to determine the cost of heating a dwelling/residence for the entire~~

heating season. Billing data (i.e., total amount billed to client) is determined by several factors, including fuel consumption, cost of fuel, temperature/heating degree day data, the heating values of various fuels, and a furnace efficiency factor for various fuels. Billing data therefore accounts for these factors in a single number/value.

Data to establish a cost/consumption table for steam heat, kerosene, wood, and coal was not available and therefore the actual expenses incurred by the eligible household will be negotiated, or the rate for MDU natural gas will be used.

Homes or living units that are not obviously within any of the following definitions will be assigned to the most appropriate category by the State Program Administrator or designee based on the number of wall and other surfaces exposed to the outside weather and temperature:

a. Single detached home

This term means a single building that includes only one home or complete living unit. Mobile homes are included under this definition.

b. Duplex

This term means a single building that contains two complete living units.

c. All other living units (apartment building - row houses - townhouses - high rise)

This term means all other building types not described in 'a' or 'b' above.

Disabled

This term includes all individuals who have a physical or mental impairment which substantially limits one or more major life activities, have a record of such impairment, or are regarded as having such an impairment.

Elderly

This term includes all individuals who are 60 years of age or over. (This definition applies to all references in this manual to individuals who are "over 60.")

Eligible Households/Economic Unit

This term means any individual or group of individuals who are living together in a housing unit.

Emergency Home Energy Assistance (Energy Crisis Intervention and Prevention)

This term means home energy assistance to low income households necessitated by:

- a. Weather related supply shortage, and/or other household energy related emergencies;
- b. The household's inability or potential inability to secure home energy for financial or other reason;
- c. Age and/or health factors that require the use of extra home energy;
- d. The maintenance and safety of the home energy system; or
- e. A combination of the above factors.

Energy Burden

This term means the expenditures of the household for home energy divided by the income of the household.

Garnishment

A **garnishment** is a means of collecting a monetary judgment against a defendant by ordering a third party (the **garnishee**) to pay money, otherwise owed to the defendant, directly to the plaintiff. Wage garnishment, the most common type of garnishment, is the process of deducting money from an employee's monetary compensation (including salary) as a result of a court order.

Examples of garnishments that can be used by LIHEAP are:

Child support

Taxes

Unpaid court fines

Heating Degree Days

~~This term means the sum of the differences obtained by subtracting the mean temperature for each day in a given period of one year from 65° Fahrenheit.~~

Home Energy

This term means a source of heating or cooling in a residential dwelling. This includes any type of heating fuel, the mechanical system necessary to produce heat from fuel, and/or all the residential electrical energy if a portion is necessary to operate heating or cooling systems.

Housing Unit (Living Unit)

This term refers to one or more rooms occupied as a separate living quarter in a residential dwelling except:

- a. Housing units owned or operated by educational and/or other institutions which perform an educational or other service for the residents are excluded if the heating costs are obligated, guaranteed, or in any way the responsibility, directly or indirectly, of the institution, or are integrated in any way with the educational or other service costs.
- b. Dormitories, residential treatment or rehabilitation centers, teaching/training centers, transitional living centers, hospitals, nursing homes, retirement or rest homes, homeless shelters, hospice care facilities, communes, or other forms of congregate living arrangements are excluded.
- c. Temporary transient living units in hotels, motels, or other commercial dwellings are excluded.

Hypothermia

Hypothermia, a reduction of the body's "core" temperature caused by prolonged exposure to cold temperatures, is potentially a serious danger to the elderly or persons with certain medical problems. These people should be encouraged to maintain room temperatures of at least 70° F. The following groups of people are more vulnerable to hypothermia:

- infants under age 1
- elderly persons, especially those over age 75
- persons taking drugs which reduce the body's ability to regulate its temperature normally, especially the phenothiazines used for treatment of anxiety, depression, nervousness, nausea
- persons with hormone dysfunctions such as hypothyroidism which cause a slow metabolism
- persons with head injuries, strokes, or any condition causing paralysis
- persons with immobilizing illness such as severe arthritis or Parkinson's disease
- persons with conditions impairing normal constriction of blood vessels such as a blood clot or hardening of the arteries

In-Kind Income

In-kind income occurs when something of value is received in lieu of a cash payment for goods or services.

Intake Function

Intake is defined as the beginning formal contact(s) with a potential applicant to provide program information and explanation and to provide the application form with instruction for completion and submission.

LIHEAP Share Effective Dates

The LIHEAP Share effective date signals the computer when to start paying out the LIHEAP Share percentage.

Outreach Function

The outreach function takes advantage of opportunities to publicize the LIHEAP through a variety of publicity methods, including but not limited to the public media, meetings and presentations, flyers and brochures, to assure all households are aware of the program and the application process.

Poverty Level

This term refers to the income poverty guidelines for non-farm population of the United States as prescribed by the U.S. Office of Management and Budget as applicable to the State of North Dakota.

Prudent Person Judgment

Reasonable judgment made by a worker based on experience and knowledge of the program and surrounding community.
Documentation must support that judgment.

Services

This term means all non-administrative activities designed to benefit the applicant, including, but not limited to:

- a. Negotiating, facilitating, or otherwise assisting the household and the supplier to develop and follow reasonable payment plans.
- b. Providing energy conservation referrals, education, and information.
- c. Emergency Assistance crisis evaluation and planning, preventive services and follow-up.
- d. Referrals and/or advocacy.
- e. Social and economic counseling such as credit or budget counseling, self-reliant/self sufficiency counseling, case management services, etc.

Young Child

This term includes all children under six years of age.

2. 415-05-15 - Confidentiality. **Corrected** section number reference.

Confidentiality 415-05-15

North Dakota Century Code, Section 50-06-~~1516~~, prohibits the disclosure of any information about persons applying for or receiving assistance under any program administered by the Department of Human Services.

A written release of information signed by the applicant must accompany any request for information regarding a LIHEAP household. If the agency requesting information does not have a Release of Information Form, Department of Human Services Form 1059 may be used.

The county social service board and any persons receiving payments on behalf of LIHEAP households may NOT release the names of LIHEAP applicants to any person/agency other than an authorized representative of the Department of Human Services or the county social service board.

Application & Verification Procedures 415-15

3. 415-15-10-05 – Income – Verification. **Clarified** policy in paragraph 2 regarding deductible expenses.

Income – Verification 415-15-10-05

While eligibility for LIHEAP is determined in large measure on information supplied by the applicant under penalty of perjury, income eligibility must be supported by conclusive, documenting evidence.

All sources and types of income ~~and the household's deductible expenses~~ that exceed \$500 per year must be verified at the time of application by written documentation. This may be accomplished by the use of wage stubs, signed statement from an employer, Internal Revenue Service (IRS) forms, automatic bank deposit slips for social security, award letters for SSI, or other types of benefits, etc.

If the application is taken during the early days of the month before the current wage stub is available, the previous month's wage stubs, etc. may be used to establish the amount of monthly income. If the applicant has income from a new source in the month of application, consider the amount of this monthly income. Establish the annual amount of income by using the current wage stubs received and the pay frequency. If no pay checks have been received at the time of application, a written verification from the employer should be provided by the applicant.

Income received during any month used to compute eligibility and/or benefits prior to the month of application must be similarly verified.

Wherever possible, the case file should contain copies of the written verification provided by the applicant. However, where this is not feasible, such as when an application is taken by home call or in alternate sites where a copy machine is not accessible, it is sufficient for the eligibility technician to make a case note of the type of written verification that was seen.

Where the applicant is a current recipient of another public assistance program, it is sufficient to make a cross reference in the case file to the appropriate public assistance record containing the documentation of income, so long as the other record is current and has been reviewed for completeness of information used to establish LIHEAP eligibility. If the TEC3 screens are used to verify TANF income, the worker needs to be sure the amounts used reflect the net TANF grant actually received without the extra allowances for special needs, child care reimbursements, incentive allowances, etc.

Since LIHEAP eligibility will normally be determined only once during the duration of the heating season, it is not necessary to report or verify income changes.

Eligibility Determination 415-25

4. 415-25-05-10 - Income Eligibility Levels. Updated income eligibility limits for FY2013.

Income Eligibility Levels 415-25-05-10

The income eligibility limits for heating assistance are based on 60% of the North Dakota median income. The monthly income eligibility levels are determined by dividing the annual amount by 12 months and rounding off to the nearest dollar (indicated by *).

Therefore, the adjusted gross income eligibility limits for ~~FY2012~~ FY2013 are as follows:

<u>Household Size</u>	<u>Annual Eligibility Limit</u>	<u>Monthly Eligibility Limit*</u>
1	\$24,428	\$2,036
2	\$31,944	\$2,662
3	\$39,461	\$3,288
4	\$46,977	\$3,915
5	\$54,493	\$4,541
6	\$62,010	\$5,167
7	\$63,419	\$5,285
8	\$64,828	\$5,402
9	\$66,238	\$5,520
10	\$67,647	\$5,637
11	\$69,056	\$5,755
12	\$70,466	\$5,872

5. 415-25-05-15 – Annualizing Income. **Clarified** policy in #2 to coincide with LIHEAP state plan.

Annualizing Income 415-25-05-15

To determine a household's benefit level, LIHEAP compares a household's income to its estimated annual heat cost. This means that income must be converted to a yearly figure or "annualized." The LIHEAP Application ([SFN 529](#)) asks the client for information about his or her income in the current month, the previous month, and anticipated income for the following month. The difference in these figures will determine the method of annualization to be used. (References to the "current month" or the "month of application" will also apply to the month during which a reportable change requires a recalculation of the LIHEAP Share Percentage. [See [40-05](#).])

If the income between consecutive months is less than \$400 yet not exactly the same each month use the month of application and annualize.

1. If the difference between the current month's income and the previous month's income is less than \$400, the income would be annualized by the most appropriate of the following methods:
 - a. Regular income - This would include anyone on a fixed income, TANF recipients, wage earners who have not recently changed jobs, etc. Income in this category would **NOT** be averaged (See "#2," of this section), even though the payroll schedule results in an additional paycheck during every two weeks will sometimes receive three paychecks in one month.

Annualization is done by multiplying a monthly payment by 12; a weekly payment by 52; a biweekly payment by 26; and a semi-monthly payment by 24.
 - b. Periodic income - Examples would include interest payments, land rent, farm payments, and some types of seasonal employment.

To annualize, multiply the amount received in a single payment by the number of times it is received in a 12-month period. Sometimes, payments for farm or other seasonal labor may fit into this category if the laborer is not paid regularly as the work is done.

- c. Annual employment contracts - These would typically, but not necessarily, apply to employees of a school district.

The total amount of income specified in the contract would be included, regardless of the amount received in the current month.

- d. Business/Farm Income - This would include most business and farm income, as reported on and verified by the most recent tax forms available.

To annualize, use the income from the most recent tax form that reduces gross income by the amount of necessary operating expenses. Use this amount regardless of the amount received in the current month. Each business/farm income is to be reported and computed separately. A reported income loss will be revised to zero income before adding to the income of another business or to other sources of annualized income.

- 2. If the difference between a household member's income (from a single source) in two consecutive months is \$400 or more, or if the household's income in the current month is at or near zero, that member's income (from that source) would be annualized using a three-month average as follows:

- a. The income from the month preceding the month of application,
- b. The income from the month of application, and
- c. A projection of income for the month following the month of application
 - If income for the following month is known and verifiable, that income will be used. ("Known and verifiable" can include TANF, Unemployment Compensation, salaries and the like. It can also include the receipt of one paycheck [in the

application month] from a new job, provided that it can be determined that the paycheck is representative of wages and hours in the following month.) If there is terminated source income, include the income in the three-month average.

Example:

Application month is October. Household's job ends October. Use the regular earned income (from that source) for September. For October, use the actual amount received for that month. If there is no income predicted for November, then use 0.00. If there is income predicted for November, use the client's best estimate for income. Total the three months and multiple by 4, then you will have the annual income. The second example under 25-05-15-10 is a good example of how to handle terminated source income.

- If income for the following month is not known or cannot be verified, the income in the month of application will be used twice in determining the three-month average.

The earned income deduction will be applied to the sources of income to which it is appropriate. Then, the three monthly figures will be totaled, and the total multiplied by four to arrive at an annual figure.

NOTE ON AVERAGING: Averaging is one method of determining a household's benefit level. The household must still be income eligible during any month for which LIHEAP benefits are to be paid. Income ineligibility during the month of application automatically disqualifies the household for that month and future months (See [415-30-20](#)). Income ineligibility in the month before the month of application does not automatically disqualify the household, but benefits cannot be paid for that month. In other words, if averaging is called for, the prior month's income will be used in the averaging calculation, even if the household cannot receive a benefit for that month.

EXAMPLE:

Income Limit (monthly): \$1,000

Last Month's Income: \$1,200

Current Month's Income: \$ 600

Anticipated Income: \$ 600

Averaging would be used, resulting in an average of \$800 per month.

Averaging may also be appropriate if the household's income is at or near zero.

3. Whenever it can conclusively be demonstrated that the household income annualized in the manner described in "1" and "2" above is not the best indicator of the household's ability to pay their fuel costs, the State Program Administrator may approve or promulgate an alternative method that is reasonable and equitable.

NOTE: A \$400 difference caused solely by an additional check from a regular source of income does not trigger averaging.

Example:

Joe's Income - he applied in December.

November \$350 - regular pay

December \$800 - regular pay because of extra paycheck

January \$350 - regular pay

This case is not averaged just because of the extra paycheck in December (since there are 5 pay periods).

6. 415-25-05-20-20 – Other Income. **Clarified** policy in #3 re various compensations.

Other Income 415-25-05-20-20

Income from all other sources not excluded by [415-25-05-30](#) must be included in the determination of the household's income.

1. TANF, Diversion Assistance and TANF Transition Job Retention.

2. Pensions dispersed upon retirement according to the pension plan (normally as monthly checks) from all sources such as railroad, veterans, social security, SSI, and private pensions.
3. Benefits such as unemployment compensation, worker's Compensation, veteran's compensation, and union compensation during strikes. Since these types of income are considered unearned income, use gross amount even if taxes are voluntarily deducted.
4. Dividends and interest from investments and trusts.
5. Disability benefits.
6. Need-related veterans benefits.
7. Child support and alimony payments. It is mandated by LIHEAP that the Child Support Enforcement System must be used to determine child support income.
8. Individual Indian monies. (See 415-25-05-30 #17, n.)
9. Mineral leases

Payments received from mineral leases are included as income. Bonus payments on mineral leases (usually a one-time payment) are also to be added to the annual income. Use the amount as shown on the most recent tax report if self-employed and a tax report is used. If a tax report is not used, the bonus is considered a one-time only payment described in (14) below.

EXAMPLE: If the lease payment for a five-year lease is made during the first year the status as income producing continues in years 2-5 even though there are no payments.

10. Income-producing property

When calculating income from income-producing property, cash expenses of producing income and maintaining the property can be deducted. However, when the household obtained a loan to make a purchase and is making purchase payments on this property, ONLY

the amount of the interest paid for the loan may be deducted as an expense, but NOT the amount paid on the principal.

11. Department of Defense Subsistence Supplemental Allowance for members of Armed Forces.

12. Income from rental of property

Profit from royalties or rental of property (gross receipts minus expenses) must be included in the determination of annual income. If the profit from royalties/rentals is being taken from IRS forms (Schedule E or Form 4835), it is necessary to add depreciation back in. If the household does not report royalty/rental income to the IRS, the following types of expenses may be deducted: advertising, cleaning and maintenance, insurance, interest, legal or professional fees, repairs, supplies, taxes (but not income taxes), utilities.

If the rental property is part of the household's primary residence and expenses for each portion of the property have not been separated, the household must provide a measurement of the rental portion and the household's living unit in order to establish a percentage of the expenses of the entire property which may be deducted from gross rent receipts.

13. Income from Contracts for Payment

The **interest portion** of payments received for any contractual right to receive payments (such as Contracts for Deed) must be included in the determination of annual income. If there are any costs to the deed holder, they may be subtracted from the interest earnings. The portion of the payment that reduces the principle of the contract is income from the sale of the property involved and is considered under the asset limitation.

14. Inheritance and insurance settlements, and annual, periodic, or one-time payments (but not income from sale of property) received from any source between the previous June 1 and the following May 31, UNLESS specifically excluded under [415-25-05-30](#).

15. Profit from estates or trusts.

16. Profit sharing proceeds from Tribal Gaming operations.
 17. Internships, stipends, and other income earned by higher education students that is compensation for work performed, with the exception of wages earned under the Federal Work Study Program. (**See [415-25-05-30](#)**, #12)
 18. Subsidized Adoption payments.
 19. TANF Kinship Care children must be included in the household, therefore, TANF monthly maintenance payments must be counted as unearned income.
 20. Annual, periodic, or one-time payments from annuities, received between the previous June 1 and the following May 31.
 21. Deemed income from a spouse in a nursing home to the spouse in the community.
7. 415-25-05-25-30 – Federal Income Tax Forms – Guidelines for Gathering Income. **Clarified** location of self-employment worksheet.

**Federal Income Tax Forms – Guidelines for Gathering Income
415-25-05-25-20**

~~The LIHEAP Self-Employment Computation Guide (Worksheet) is available in the Outstanding IM Book of this manual. The worksheet is updated annually. Guidelines for gathering earned and unearned self-employment, rental and royalty income information from the federal income tax forms will be issued annually. (See Forms Appendix for updated self-employment guidelines.)~~

FARM AND/OR OTHER SELF EMPLOYMENT INCOME:

Net Profit (or loss) from IRS forms

+Capital gains/losses on sale of property

+Depreciation

+Depletion

Total Business Profit

Information for each business must be calculated separately.

When the total business 'profit' as calculated above shows a loss, such loss will be calculated at zero income for purposes of this program. Gross income from other sources, such as wages, will be calculated at face value; that is, income losses from self-employment cannot be used to offset or reduce income from other sources.

Example 1:

-4,000 Net loss from business

+5,000 Depreciation

+2,000 Depletion

3,000 Net Business Profit

Example 2:

-10,000 Net profit from business

+ 5,000 Depreciation

-5,000 Net Business Loss = zero income

PARTNERSHIP/FAMILY-CONTROLLED CORPORATION INCOME

For LIHEAP purposes the procedure for determining income from partnerships and family-controlled corporations is much the same as for other self-employment. Some of the needed information is reported on a K-1 form which is then filed with the individual income tax forms to support the income reported on Schedule E. However, some items such as depreciation and depletion, are already deducted from the partnership or corporation total income before the K-1 is completed, so it will be necessary to see the partnership/corporation IRS returns to calculate the applicant's share of these items. Contact the State Office for assistance in reading these returns, if you have problems locating the line references you need.

Losses from partnerships/family-controlled corporations will be converted to zero before they are combined with other sources of income, such as wages.

NOTE: A corporation is not required to distribute all income, at the time it is earned, to its shareholders. If the corporation elects to withhold the distribution of income, it is ordinarily not available to shareholders. An exception occurs when the shareholders who are able to control the corporate decisions are also applying for assistance. For purposes of LIHEAP eligibility, a household which controls a family-owned corporation is regarded as having received undistributed corporate income. Therefore the amount of income on the Schedule K-1 SHALL be counted as household income, whether or not it has been distributed.

8. 415-25-05-30 – Income Not Counted. Clarified Alaska Native Payments (#17, dd)

Income Not Counted 415-25-05-30

1. Cash over which the household has no control such as:
 - a. Reimbursement for expenses incurred in connection with employment.
 - b. Reimbursement for other expenses incurred, such as for medical expenses.
 - c. Payments made to others on the household's behalf, provided that such payments were not directed by the household, such as Housing Assistance Program (HAP) and other subsidized housing authorities, General Assistance (GA) Supplemental Payments, Energy Crisis Assistance Program payments, or mortgage payments directed by a divorce decree to a 3rd party.
 - d. Payments made directly to the household by Housing Authorities such as the HAP.
2. Cash which is administratively difficult to consider or compute, including but not limited to:
 - a. Small (under \$360/year) or irregular contributions from relatives or friends. "Irregular" is any income that arrives at unscheduled intervals.

- b. Small income (under \$360/year) from sale of craft items, rummage sales, odd jobs, et cetera.
 - c. Irregular Income
 - d. Gambling and Bingo winnings. (Note: may be held as a countable asset at the time of application.)
- 3. Loans, including educational loans. (See [415-25-05-05](#), Item 5.)
 - 4. TANF grant amount for students away at college (the student is not counted as a member of the household either).
 - 5. Income tax refund, earned income tax credit, Homestead credit payment or rent refund, economic stimulus tax rebates by federal government, and property tax relief.
 - 6. Retroactive payments such as from Social Security (government payments).
- Example:** An applicant, applying in October, began receiving \$250/month for Social Security Disability. He also received in October a check of \$1,000 (\$250 x 4) as retroactive payments for June through September because his disability eligibility was established retroactive to June. The \$1,000 retroactive payment is NOT added to his annualized income, but his \$250 monthly income is annualized and counted.
- 7. Income from the developmentally disabled Family Home Subsidy. **See** [415-25-05-60](#) (3).
 - 8. Reimbursements for meals from Heartland or other such programs for meals provided by day care providers.
 - 9. The value of free or reduced shelter costs that are received as a part of an employment agreement (no option), a gift, or through a governmental housing assistance program.
 - 10. Children's earned income (**see** [415-25-05-50](#)).
 - 11. TANF special items of need and special allowances, Diversion Assistance special allowances, and Transition Assistance special allowances. These include child care special allowances,

- reimbursement for transportation, day care, health insurance, other employment or training costs under JOBS, etc. These items are disregarded because they are considered reimbursements.
12. All educational loans, grants, scholarships, wages earned under the Federal Work Study Program, regular contributions from parents or any other income made available on condition that the recipient continues as a bona fide higher education student.
 13. The portion of a loss settlement obligated to replace the loss, pay off indebtedness, or otherwise obligated by the loss. Any portion of the settlement above indebtedness or replacement cost is unobligated and available and counted as unearned income.
 14. Payments made to a household providing adult or child foster care (**See 415-25-05-60**, #'s 2 and 5).
 15. Any amount necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI) will NOT be counted as income to the household. "PASS" plans allow people with disabilities to set aside specified amounts of income from SSDI, wages, etc., to build a source of funds to fulfill a self-support plan. The funds may be accumulated to purchase adaptive equipment and other services that will remove barriers to employment. The funds set aside are not counted as income when SSI eligibility is determined so SSI benefits can be used for living costs to replace other funds set aside in the PASS Plan.
 16. Wages paid by the Census Bureau for temporary employment related to census activities.
 17. Other payments to be disregarded.
 - a. Payments to volunteers.

Payments other than wages for supporting services or reimbursement of expenses to foster grandparents, senior health aides, senior companions, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), and any programs under Titles II and III of Section 418. Public Law 93-113.

- b. Assistance to individuals other than wages, under Older Americans Act of 1965, Public Law 95-478.
- c. Supplemental Food Program for Women, Infants and Children (WIC), Public Law 94-105, and the National School Lunch Program, Public Law 90-302.
- d. Work Force Investment Act (WIA) payments made to dependent children and below who are attending an elementary school or a high school half time or more are not counted.
- e. Wages, allowances, or reimbursement for transportation and attendant care costs under Title VI of the Rehabilitation Act of 1973 (Title II, Public Law 95-602).
- f. Value of Food Coupons, Public Law 95-113, Food Commodities, Public Law 74-320.
- g. Per capita payments to Native Americans will not be counted as income under P.L. 97-403. (**See 25-10-10-05** #5 for information regarding assets.)
- h. Payments received under the uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (42 USC 4636).
- i. Payment to volunteers under the Domestic Volunteer Service Act of 1973 (42 USC 5044 (9) (i)). This includes any payments to VISTA volunteers.
- j. Payments received under the Civil Liberties Act of 1988 by American-Japanese citizens displaced during World War II shall not be counted as income. (Public Law 100-383, Section 105 of Title I)
- k. Payments received under Public Law 101-201 Section 1 (a) and P.L. 101-239, Section 10405 regarding Agent Orange settlements.
- l. Payments received under the Aleutian and Pribilof Islands Restitution Act, Public Law 100-383, Section 206 of Title II for restitution made to Aleuts who were relocated by the U.S. Government during World War II.

- m. Payments made for major disaster and emergency assistance under the Disaster Relief and Emergency Assistance Amendments of 1988, Section 105 of Public Law 100-707 (42 USC 5141 et seq.).
- n. Up to \$2,000 per year of income received by individual Native Americans (Individual Indian Monies) which is derived from leases or other uses of individually owned trust or restricted lands. Omnibus Budget Reconciliation Act of 1993. (**See 415-25-05-20-20** number 8.) Client statement will be accepted as verification of the amount in an IIM account unless one of the following applies.
 - 1. the amount is more than \$2000 in a year.
 - 2. the client statement is questionable.
 - 3. the IIM account includes countable income such as inheritance, bonuses, and other income that is not derive from leases, trust, or restricted land.
- o. Payments received under Public Law 103-286, Subsection 1 (a) from a foreign government for restitution made to victims of Nazi persecution.
- p. Community Services Block Grant (CSBG) and Social Services Block Grant (SSBG) Flood Relief Program monies to assist in the needs of urban residents who experience property damage due to flooding. These monies are considered a reimbursement for a past or future expense.
- q. Payments received from Americorps for education award monies up to \$4,725 will not be counted as income. Monies received as a "living allowance" (stipend) of up to \$7,500 will not be counted as income. Americorps is administered by a corporation established by the National and Community Service Trust Act of 1993 (NCSTA), which amended the National and Community Service Trust Act of 1990.
- r. Educational assistance paid directly to a family by the Fort Berthold Three Affiliated Tribes under the Carl D. Perkins Vocational and Applied Technology Education Act to help single

parents pay for some of their child care costs. These payments are not considered as income, and the corresponding child care costs will not be allowed as deductions.

- s. Services provided to families under the Family Investment Center Program through the Department of Housing and Urban Development (HUD). Service includes such things as child care, employment training and counseling and similar services. The exclusion does not include wages or stipends paid under this program. [42 USCS Section 1437t(i)]
- t. Compensation made to crime victims under the Crime Act of 1984. (P.L. 103-322)
- u. Payments made pursuant to the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act. (P.L. 103-436)
- v. All income, allowances, and bonuses received as a result of participation in the JOBS Corps Program.
- w. Payments to child of Vietnam veterans who are born with spina bifida, or to children of women Vietnam veterans who are born with certain covered birth defects, under 38 U.S.C. 1805 or 38 U.S.C. 1815.
- x. Payments to children who receive income through the subsidized Guardianship Program.
- y. Money received by the LIHEAP household as a result of a benefit or fund raiser. The money received should not be commingled with other household accounts.
- z. Additional pay received by military personnel as a result of a deployment to a combat zone is disregarded in determining eligibility. The individual's regular military pay continues to be countable income.
- aa. TANF supportive services that the TANF Kinship Care household may receive represents a reimbursement and is not counted as income.

- bb. Payments for care and maintenance of non-household member. When monies are received and used by a LIHEAP household for the care of a non-household member, the portion of the single payment that is **identified** as belonging to the non-household member is excluded.
- cc. Reimbursement for transportation, day care and other employment or training costs under Diversion Assistance.
- dd. ~~Tax-exempt portions of p~~Payments made as a result of the Alaska Native Claims Settlement Act, P.L. 92-203.

Computation 415-30

- 9. 415-30-10 - Household Poverty Level Percentages Table. **Changed** poverty level percentages and **updated** income eligibility limits for FY2013.

Household Poverty Level Percentages Table 415-30-10

The poverty level percentage to be applied to each household's annual adjusted gross income will be calculated by the computer according to the level of their income and the number of persons in the household at the time of application. Therefore, it is essential to have accurate data in these two fields.

The Poverty Level Percentage Table used by the computer:

	Household Share <u>1</u> 2%	Household Share <u>2</u> 4%	Household Share <u>3</u> 6%	
# of Persons	0-20% of Median Income	21-40% of Median Income	41-60% of Median Income	
			Annual Eligibility Limit	Monthly Eligibility Limit
1	0 – 8,143	8,144 – 16,285	16,286 – 24,428	2,036
2	0 – 10,648	10,649 – 21,296	21,297 – 31,944	2,662
3	0 – 13,154	13,155 – 26,307	26,308 – 39,461	3,288
4	0 – 15,659	15,660 – 31,318	31,319 – 46,977	3,915
5	0 – 18,164	18,165 – 36,329	36,330 – 54,493	4,541
6	0 – 20,670	20,671 – 41,340	41,341 – 62,010	5,167
7	0 – 21,140	21,141 – 42,279	42,280 – 63,419	5,285
8	0 – 21,609	21,610 – 43,219	43,220 – 64,828	5,402
9	0 – 22,079	22,080 – 44,158	44,159 – 66,238	5,520
10	0 – 22,549	22,550 – 45,098	45,099 – 67,647	5,637
11	0 – 23,019	23,020 – 46,037	46,038 – 69,056	5,755
12	0 – 23,489	23,490 – 46,977	46,978 – 70,466	5,872

10. 415-30-10-01 - Monthly and Annual Eligibility Limits (Adjusted Gross Income). **Updated** eligibility limits for FY2013.

**Monthly and Annual Eligibility Limits (Adjusted Gross Income)
415-30-10-01**

NUMBER OF PERSONS	MONTHLY ELIGIBILITY LIMIT	ANNUAL ELIGIBILITY LIMIT
1	\$2,036	\$24,428
2	\$2,662	\$31,944
3	\$3,288	\$39,461
4	\$3,915	\$46,977
5	\$4,541	\$54,493
6	\$5,167	\$62,010
7	\$5,285	\$63,419
8	\$5,402	\$64,828
9	\$5,520	\$66,238
10	\$5,637	\$67,647
11	\$5,755	\$69,056
12	\$5,872	\$70,466

11. 415-30-15 - Cost of Heating Computation from Cost/Consumption Tables. **Updated** explanation regarding appropriate use of cost/consumption tables.

**Cost of Heating Computation from Cost/Consumption Tables
415-30-15**

Using the statewide cost of heating table (Statewide Benefit Matrix),
~~Use the appropriate cost of heating table for your county.~~ Locate the sub-section for the type of home in which the household lives. Locate the primary type of fuel used by the household and read under the number of bedrooms to find the estimated cost of heating for the household.

~~Some municipalities sell oil or propane to several customers and serve as a "vendor." In these cases, the tables include a special matrix~~

~~(cost/consumption table) for that vendor. Other vendors in that county are combined under the label "all commercial."~~

Emergency Home Energy Assistance 415-50

12. 415-50-05-15 – Furnace Replacement. Updated poverty level references.

Furnace Replacement 415-50-05-15

Emergency Assistance may be made available for a LIHEAP eligible individual home owner or an eligible renter with verifiable responsibility for maintenance of their furnace.

LIHEAP can only replace furnaces that:

1. are unsafe,
2. are not operating,
3. and/or cannot be repaired, and
4. wouldn't be cost-effective to repair.

Requests for furnace replacement must first be carefully reviewed by the county social service staff using the guidelines in this manual section. County staff should only pay for furnace replacement if Community Action Agency staff are not available to replace the furnace. If the county staff concludes the request is not eligible under these guidelines, the request should be denied, and referral to the State LIHEAP Administrator is NOT necessary. If the county staff recommends approval of the request, the "Emergency Assistance Application," with all the supporting data, must be referred to the State LIHEAP Administrator for approval through the LIHEAP Emergency System.

If the State Administrator delegates the performance to Division of Community Services, eligible LIHEAP clients will be referred to a local Community Action Agency (CAA) for furnace replacement. No

"Emergency Assistance" application is needed if the client is a current client of LIHEAP. Notification to the CAA can come from the County Social Service Board or the client. An approval letter is made available to client if he would like to contact the CAA himself.

Clients will be required to share in the cost of the furnace replacement as follows:

Clients at 41% - 60% of the poverty level = 30% of the cost

Clients at 21% - 40% of the poverty level = 15% of the cost

Clients at 20% of the poverty level or below = 0

Clients in the ~~2%~~ ~~4%~~ and ~~3%~~ ~~6%~~ poverty levels will have their share of furnace costs capped at \$500. Clients unable to raise their share of the furnace replacement costs may request a waiver from the local CAA.

The client's share may come from other sources, but not LIHEAP or General Assistance funds. CAA's will assist clients in identifying and applying for other sources of federal, state, or private funds.

Temporary shelter, when necessary, will be the responsibility of the CAA.

Of course emergency situations will still occur that must be resolved before we can carefully negotiate a payment plan. We may need to make an immediate payment commitment to the supplier. But, the household must fully understand these guidelines. They should at least appear to be eligible, and you should be confident they will assume their responsibilities if some other payment plan is more appropriate. Or, to gain the necessary time, you may need to authorize payment of temporary alternative living arrangements for the household (See [415-50-05-15](#)).

Note: LIHEAP will not pay to install a furnace as part of new construction or where the client has knowingly purchased a home that does not have a heating system unless the need for a replacement furnace is associated with a state or federally declared disaster.

If Community Action Agencies (CAA's) do not have money for furnace replacements, take the following steps:

1. Household fills out emergency assistance application if they are presently on the fuel assistance program. If the household is not on fuel assistance, you will need to get a regular application and an emergency application.
2. Determine eligibility for regular LIHEAP and for emergency assistance. Remember that for emergency assistance you only look at the income for the current month.
3. If the household is eligible for emergency assistance and is requesting assistance with furnace replacement then you need to:
 - a. Ask the household to contact two vendors to bid on the cost of the furnace and putting the furnace in. Vendors, if possible, should be close to the house that needs a furnace. The costs are lower when vendors are in the same community. You can ask the household if they have any ideas for vendors.
 - b. Provide household temporary shelter if needed.
 - c. Send a copy of the two bids to the state LIHEAP Administrator or Policy Analyst and a bid will be selected.
 - d. Let vendor know that he was the one selected and work closely with him to insure that the furnace is put in quickly.
 - e. Make payment (after the bill is received with detail on it) once the vendor has completed the furnace replacement, the furnace is working well and the household is satisfied. Use payment codes 13 and I to pay the vendor.

Forms Appendix 415-65

13. 415-65-15 – SFN 1540, Income Averaging/Annualizing Worksheet.
Update instructions to coincide with E-form worksheet.

SFN 1540, Income Averaging/Annualizing Worksheet 415-65-15

This form is optional and may be used to help document frequent income changes.

The averaging worksheet is used to annualize fluctuating income sources as described in 415-25-05-15, Annualizing Income.

The annualizing worksheet is used to determine income and asset eligibility for months prior to the month of application.

This form is available through the Department of Human Services and may also be obtained electronically via [E-Forms](#).

14. 415-65-15-05 – SNF 1540, Annualizing Worksheet. **Change** section name. **Update** instructions to coincide with the E-form worksheet.

SFN 1540, ~~Part I, Income Received by Month~~ Annualizing Worksheet 415-65-15-05

The annualizing worksheet is on the back side of SFN 1540. Each month of the ~~calendar year~~heating season has a space on the form to enter and annualize each source of income received, indicate how it was verified, and enter the amount/unit monthly, weekly, etc.) received. Multiply the amount/unit times the appropriate annualizing figure as described in [415-25-05-15](#).

This annualized income is then multiplied by 73%, ONLY IF IT IS EARNED INCOME, to arrive at the annualized amount for that source of income. Once each source of income for the month has been annualized, total them and enter the result ~~in Part II~~ as the total for that month.

Repeat this process for each month prior to the month of application backwards to ~~July~~ October.

Note: Total deductions from Line E, SFN 530, must be subtracted from each month's annualized income before eligibility for the month can be established.

This form is available through the Department of Human Services and may also be obtained electronically via [E-Forms](#).

15. 415-65-15-10 – SFN 1540, Part II, Annualized Income by Month. ~~Deleted~~ obsolete section.

~~**SFN 1540, Part II, Annualized Income by Month 415-65-15-10**~~

~~Use the space in Part II to subtract any deductions on Line E of SFN 530 which must be considered before eligibility can be determined for that month. If the adjusted annualized income falls below the income guidelines, put a check in the "eligibility" column.~~

~~This form is available through the Department of Human Services and may also be obtained electronically via [E-Forms](#).~~

16. 415-65-45 – LIHEAP Self-Employment Computation Guide. **Clarified** location of self-employment guidelines and self-employment worksheet.

LIHEAP Self-Employment Computation Guide 415-65-45

The LIHEAP Self-Employment Computation Guide ([Worksheet](#)) is available ~~through the Department of Human Services.~~ in the Outstanding IM Book of this manual. The worksheet is updated annually.

LIHEAP self-employment computation guidelines are included in Section 415-25-05-25-20, Federal Income Tax Forms – Guidelines for Gathering Income.

Par. 2. **Effective Date** – October 1, 2012